

RevEx Subcommittee on Issues #4 and #5 – ACCP
Meeting Notes
February 22, 2016

Present: Jim Brunker, April Vingum, Tom Bressner, Bob Welch, Amy Winters, John Manske, Kristen Faucon, Dave Flakne, Mark Dawson, Amy Haak, Frank Masters, Rob Richard, Darin Von Ruden, Tim Clay, Tyler Byrnes, Paul Ferguson (on phone), Stan Senger, Mae Friederich, Trevor Bannister, Steve Martin,, Jennifer Heaton-Amrhein, Lori Bowman, Stacie Ashby, Robby Personette

Lori Bowman called the meeting to order at 9:30 am and welcomed the subcommittee and provided a brief review of the last meeting. She also went over the goals of the meeting: 1) Present DATCP proposal to the group 2) Discuss and receive feedback on the proposal.

ACCP proposal

Jennifer Heaton-Amrhein went over the department's goals for the ACCP proposal. These goals were to:

- Reduce pass-through surcharges to farmers
- Reduce volatility
- Have those most directly benefitting pay more of the program costs
- More even distribution of surcharges
 - between pesticides and fertilizers
 - between farmers, bulk storage businesses, and registrants
- Simplify
- Collect between \$750,000 and \$1 million annually

Heaton-Amrhein then walked the committee through DATCP's ACCP proposal. Features of the surcharge structure proposal (shown in table below) included:

- 1) Increasing the Pesticide Business Location (PBL), Individual Commercial Applicator (ICAL) and Restricted Use (RU) Dealer licenses slightly to simplify the accounting.
- 2) Increasing the fertilizer license surcharge to the same amount as the PBL license surcharge and charging it to all fertilizer licensees.
- 3) Reducing the fertilizer tonnage surcharge by \$0.20/ton to reduce the burden on farmers.
- 4) Changing the pesticide registration surcharge to a flat fee for all Nonhousehold products (from a mixture of flat fees and percent of sales surcharge) to accommodate the recommended change in how pesticide registration fees will be assessed.
- 5) Establishing new bulk storage surcharges for fertilizer and pesticide bulk storage facilities to account for their primary use of the ACCP fund.
- 6) Targeting \$850,000 in annual surcharge revenue (instead of \$1 million), because DATCP has historically underestimated ACCP revenue.

In addition to the revised surcharges, the proposal also recommended:

- Establishing a statutory trigger for surcharge reductions
 - Automatic surcharge holiday if the fund balance is > \$1.5 million on May 1
 - Automatic 50% reduction in the surcharge if the fund balance is > \$750,000 < \$1.5 million on May 1
- Keeping the lifetime maximum at \$400,000
- Repealing s. 94.74, authorization for agrichemical pollution prevention grants
- Repealing s. 94.73 (3m)(w), related to ineligibility of "greenfield" sites (i.e. restore eligibility to all sites)

Proposed ACCP Surcharges

License Type	~ Number	Proposed Surcharge	Total Revenue	% of Total Revenue
Pesticide Business Location (PBL)	2,400	\$35	\$84,000	10%
Individual Commercial Applicator (ICAL)	8,500	\$15	\$127,500	15%
Restricted Use (RU) Dealer	420	\$25	\$10,500	1%
Fertilizer License	775	\$35	\$27,125	3%
Fertilizer Tonnage	1,900,000	\$0.15	\$285,000	34%
Pesticide Registration (NHH)	5,300	\$50	\$265,000	31%
Bulk Storage – Fertilizer *NEW*	279	\$100	\$27,900	3%
Bulk Storage – Pesticides *NEW*	235	\$100	\$23,500	3%
TOTAL			\$850,525	100%

Discussion

The committee discussed the proposal. In general, there were supportive comments for the more even distributions of the surcharges among businesses, pesticide registrants, and farmers and for the more even distribution of surcharges among fertilizer and pesticides. The committee was supportive of the concept of lowering the target revenue total, eliminating the pollution prevention program and requesting a statutory provision to automatically reduce surcharges if the balance reaches certain levels. There was general support (not unanimous) for restoring eligibility to all sites given the lack of private insurance options.

Some members had questions about why the lifetime maximum was not proposed to be increased to reflect higher costs due to inflation since the program was established. They felt this would help businesses accept paying more in license fees.

Members also questioned why the \$5 million surplus was not addressed. Bob Welch reported that the Governor's Office indicated they want to handle it as part of the budget and they are not willing to do a fee holiday prior to the budget.

Members requested the department provide some numbers as to how the new proposal would affect an "average" business (6 sites) compared to the existing program. There was also a request to show how Wisconsin's pesticide fees compare to pesticide fees in 5-8 other states, including our surrounding states.

Committee members did not provide an answer as to whether they supported the proposal or not, but agreed to take the proposal back to their organizations and members for further discussion.

Next Steps

Bowman concluded the meeting and said she will wait to hear from the members as to whether another meeting is necessary. She asked members to discuss the proposal with their organizations and members and to feel free to ask for additional information as needed.

The meeting adjourned at 11:30 a.m.